

MINUTES OF MEETING OF THE BOARD OF PUBLIC WORKS, MARCH 31, 1959.

The Board of Public Works met in the office of the Governor, State House, Annapolis, Maryland, on Tuesday, March 31, 1959.

There were present:

J. Millard Tawes, Comptroller  
Hooper S. Miles, Treasurer  
Louis L. Goldstein, Comptroller.

Also attending were:

Mr. James J. O'Donnell, Director, Department of Public Improvements.  
Mr. James G. Rennie, Director, Department of Budget & Procurement.  
Mr. Russell H. McCain, Executive Assistant to the Governor.

MINUTES:

The Board approved the minutes of the meeting of the Board of Public Works which was held on December 12, 1958, copies of which had previously been forwarded to the members of the Board.

PATUXENT INSTITUTION:

At the meeting of the Board which was held on March 9, 1959, consideration was given to bids received by the Department of Public Improvements for the construction of a Diagnostic Center for Patuxent Institution and submitted in Item 3 of the agenda of that department. At that time the Board decided that it could not permit the firm of Henry A. Knott, Inc. to correct and re-form its original proposal but it would be agreeable to award of the contract to that company in the amount of its original low base bid of \$1,983,000.

Following that meeting, the firm of Henry A. Knott, Inc. requested the Secretary to arrange a meeting with the members of the Board of Public Works for a discussion of the matter, and the Board agreed to meet today and hear the statements of the company.

In connection with this further discussion of Item 3 of the March 9, 1959, agenda of the Department of Public Improvements relating to the construction of a Diagnostic Center for Patuxent Institution and the treatment of an error in the amount of \$100,000 on a bid of Henry A. Knott, Inc., the following persons appeared before the Board:

Mr. Joseph M. Wyatt, Counsel for Henry A. Knott, Inc.  
Mr. Charles A. Knott, President of Henry A. Knott, Inc.  
Mr. Ralph E. Ensor, Secretary of John K. Ruff, Inc.  
Mr. Murray Benson, Attorney for John K. Ruff, Inc.  
Mr. Stedman Prescott, Jr., Deputy Attorney General.

Mr. Wyatt explained the nature of the error and cited a number of cases in which the Board permitted the re-formation of the bid price because of an error.

Mr. Benson pointed out that in most cases such a re-formation was conditioned upon the error being a mutual mistake, but that in this case the error was a unilateral mistake and that the construction industry would look with considerable disfavor upon any action of the Board which would permit any contractor, regardless of the nature of any error, to re-form his bid within "striking distance" of the next low bidder.

The Board referred to a letter from Mr. Henry A. Knott to the Department of Public Improvements under date of February 9, 1959, and particularly to the last paragraph which said, "The State is at liberty to award the contract to the second bidder, but we feel that the State would gain an advantage of \$25,000.00 by adjusting our incorrect bid. This would prevent serious injury to us and still be to the State's benefit financially".

The Board interpreted this statement to indicate that Henry A. Knott, Inc. was perfectly willing to permit the Board to award the contract to the next lowest bidder and, therefore, the Board could see no reason for changing its previous ruling of March 19, 1959, that the contract should be awarded to Henry A. Knott, Inc., at the bid price of the lowest bidder, with the understanding that should the corporation desire to withdraw its bid, it would be permitted to do so without the imposition of any penalty.

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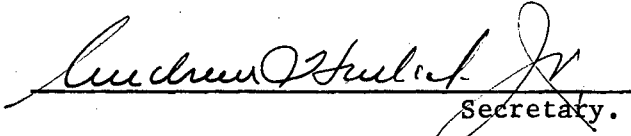
STATE DEPARTMENT OF EDUCATION:Towson State Teachers College -

Under date of March 19, 1959, Mr. O'Donnell had written to each member of the Board relative to Project ET-56-02, Laboratory School for Towson State Teachers College and the bids received for this work. It was stated that it has been found Necessary to reduce the costs for this project, and the Board was requested to indicate the policy of procedure to be followed for handling the proposed deletions.

After a discussion of the situation, the Board determined that the proposed cost reducing changes in this project should be handled through the issuance of an Addenda and the issuance of it to all of the contractors who originally bid on the project, and Mr. O'Donnell was instructed to follow this procedure.

ADJOURNMENT:

There being no further business, the meeting was adjourned.

  
Secretary.